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ESTABLISHED 1887

West German Hostage Freed By Kidnappers in Lebanon

BEIRUT — A West German businessman held captive in Lebanon for almost 20 months has been freed, the Lebanese information minister said late Monday.

Earlier, Nora Cordes had said earlier Monday that he would be released. Mr. Cordes, a 55-year-old, sales representative of the Hoechst pharmaceuticals company, disappeared in mainly Moslem West Beirut on Jan. 17, 1987.

Group Promised Release Earlier, Nora Cordes of The Washington Post reported from Beirut.

An Iranian-backed group holding Mr. Cordes had issued three statements on Monday promising his release within hours.

Kiosk

Postal Strike

Ends in Britain

LONDON (AP) — British union leaders called off a 13-day postal strike on Monday, but domestic and international service is expected to be slow for the next two weeks as a backlog of 150 million letters and packages is processed.

Botha's First State Visit to Black Africa Begins in Mozambique

President Joaquim Chissano of Mozambique welcomed President Pieter W. Botha of South Africa at Songosongos, western Mozambique, on Monday at the start of Mr. Botha's first state visit to black Africa. The presidents



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toured the huge Cahora Bassa hydroelectric plant on the Zambezi River that their two governments have agreed jointly to renovate. Later they had two hours of talks in the plant offices. Mr. Botha then was to fly to Malawi. Page 5.

Post Office

Strikes

Ends in Britain

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Papandreou, Facing Heart Surgery, May Be Losing Support

By Paul Anastasi Special to the Herald Tribune

ATHENS — Prime Minister Andreas Papandreou is to undergo heart surgery in a British hospital soon amid indications that the Socialist leader's support in Greece is eroding.

Separating the Kurds' Wounds of War From Those of Peace

By Clyde Haberman New York Times Service

DIYARBAKIR, Turkey — His name was Mehmet and he was 3 years old, a sad-faced, sandy-haired little boy without shoes and in need of a good scrubbing.

Bush Aide Resigns Over Jewish Survey

By David Hoffman Washington Post Service

WASHINGTON — The deputy chairman of the Republican National Committee, Fredrick V. Malek, has resigned following the disclosure that in 1971 he carried out a survey of Jews in high-ranking jobs in the Bureau of Labor Statistics for President Richard Nixon.

A Chill Descends on Bentsen and Quayle

New York Times Service

DALLAS — It was a closed-door session among key aides to the presidential candidates, Governor Michael S. Dukakis and Vice President George Bush, a session involving debate planning and scheduling.

General News

Israel is approaching what observers see as a watershed national election.

Armenia is striving to preserve its cultural identity.

Japan's trade surplus shrank in August to \$4.94 billion, an 11.1 percent drop from July.

The Dollar

Table with exchange rates for DM, Pound, Yen, FF.

Macmillan Agreement Likely to Stop Maxwell

Compiled by Our Staff From Dispatches

NEW YORK — Macmillan Inc. agreed Monday to a \$2.36 billion leveraged buyout, which apparently thwarts efforts by Robert Maxwell, the British media baron, to acquire the publishing giant.

The Greening of Yellowstone

By Jay Mathews Washington Post Service

YELLOWSTONE NATIONAL PARK, Wyoming — The orange-yellow flames swept through this pea-green meadow and surrounding pines three weeks ago, blackening the sky and scattering wildlife during the most destructive fire season ever to strike Yellowstone National Park, the largest park in the United States.

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Today, the personal computer industry is announcing a major advance in PC technology. This announcement will simultaneously insure the value of your current PC's, software and peripherals, and open up a future of incredible new personal computer performance and capabilities.

Announcing EISA. EISA stands for Extended Industry Standard Architecture. It's literally an extension of the current Industry-Standard Architecture—ISA—used in over 75% of the world's business PC's.

EISA is designed to deliver extremely high personal computer performance for extremely demanding, sophisticated jobs, without forcing you to sacrifice any of your investment in today's software and hardware.

ISA to EISA: More Evolution Than Revolution. The Industry-Standard Architecture in today's business PC's is the result of "natural selection" in the PC marketplace. As your uses for PC's have evolved, the PC's themselves have evolved. Continuous advances in microprocessor chips and operating system software have given PC's continuous advances in performance. And, since most of you PC users have literally—and logically—"kept on buying what's kept on working," the result has been the maintenance and expansion of a unified industry standard: ISA.

There are now roughly 20 million ISA personal computers in use in the world. And thousands more are being put to work every day.

They use a variety of microprocessors. And a variety of operating system software. But the users of every one of those PC's could, if they needed to, share software, expansion boards and peripherals with every other ISA PC user in the world. Put simply, that means they could all work together.

EISA will also mesh seamlessly with all that hardware and software. It's the next logical step in the personal computer's evolution.

A Smart Investment Pays Off. Since PC's were introduced, just eight years ago, businesses worldwide have collectively invested well over \$100,000,000,000 in ISA PC hardware, software, peripherals and training. EISA could hardly be called an "advancement" if it forced you to write off an investment like that.

But, unlike PC's based on other architectures, PC's using EISA will run all your current ISA software. And work perfectly

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**TODAY IT
JUST PAID OFF**

with your current ISA personal computers, peripherals and expansion boards.

PC manufacturers call this "upward compatibility." You'll probably just call it "smart."

What, Exactly, Is EISA? Technically speaking, EISA is a 32-bit extension to the ISA PC expansion bus. It will support memory beyond today's 16-megabyte maximum and provide full 32-bit direct-memory access for peripherals and 32-bit bus-master support.

Simply speaking, EISA is a remarkable "topspin" on today's standard computer architecture. It will allow very sophisticated, high-end PC's to move data up to four times faster than today's ISA machines, while remaining completely compatible with them.

While this is far and away more power than any current applications or peripherals require, EISA will be there when, and if, you need it. For example, to handle the massive network communications and work group applications that are coming in the future.

Who's Behind EISA? Normally, the leading companies in the PC industry compete head-to-head to deliver new capabilities to PC users. But today, they're cooperating to accomplish that same goal.

Today, AST, Compaq, DCA, Epson, Hewlett-Packard, Intel, Microsoft, NEC, Novell, Olivetti, 3COM, Tandy, Wyse and Zenith are all announcing their support for EISA. Hundreds of other hardware manufacturers and software developers will be added to the list in days to come.

And since EISA is a completely open architecture, every vendor in the in-

dustry will have the same opportunity to adopt it.

You're on a Direct Route to the Future of Personal Computing. The first PC's using EISA will be available in late 1989. So, why is EISA important today? Two reasons.

One, announcing the acceptance of EISA today means that advanced application software, peripherals, interfaces and boards will be ready to work together with the new EISA PC's when you're ready to use them.

And two, you can now be assured that the shortest distance to the future of personal computing is the straight line that most of you are already on. Your current investment in Industry-Standard Architecture PC's, peripherals and software isn't just safe. It's the smartest investment you could make.

Leaders in the PC industry announcing support for Extended Industry Standard Architecture today include: AST Research, Inc.; Compaq Computer Corporation; Digital Communications Associates, Inc.; Epson America, Inc.; Hewlett-Packard; Intel Corporation; Microsoft Corporation; NEC Corporation; Novell, Inc.; Ing. C. Olivetti and C.p.S.; 3COM Corporation; Tandy Corporation; Wyse Technology; Zenith Data Systems.

Armenia's Struggle to Endure

Fearing Assimilation, Many Turn to Preserving the Past

By David Remnick
Washington Post Service

ECHMIADZIN, U.S.S.R. — "This is a piece of Noah's ark," the guide said her visitors stepped up to another glass case. "Monks in the fourth century brought it down from Mount Ararat."

Guides in Armenia are less mechanical than their counterparts in Moscow, and this one was quick to allow that the square of wood "might not be really part of the ark."

"Maybe it's just a well, you know, a symbol," she said.

Then she pointed to "the spear that pierced the side of Christ," brought to Armenia by St. Bartholomew. "Though, maybe it's a copy, who knows?"

This is the Armenian village of Echmiadzin, headquarters of Vazgen I, the catholicos, or leader, of the Armenian Apostolic Church.

Armenia has endured centuries of foreign rule and hardship. In 1915, the Turkish deported 1.7 million Armenians to Syria and Mesopotamia, and it is believed that about 600,000 of them were massacred or died en route. Turkey denies responsibility for the killings.

All the while, the church has been the guardian of the Armenian language, literature, symbols, culture.

Since the Soviet Union absorbed Armenia in 1920, the Armenian church, like all other religions in the Soviet Union, has endured the repression of an officially atheist state.

But one priest, Father Natan, said, "The church survived, and the people kept the people together."

Most Armenians, religious or not, still baptize their children and participate in the church's ancient rituals.

time someone leaves for good," he said.

The migration of Armenians to other Soviet republics has also taken a toll, he said. Like other intellectuals, Mr. Materajan said he was caught in a dilemma.

"I don't really want to be a nationalist, and a lot of people feel the same," he said. "I would rather be international in my outlook and just be a normal man, a normal artist."

"But this is not possible, especially for a people who have a history like ours. For a small people, the threat of disappearance hangs over us every day."

Meanwhile, there are a forgotten people in Armenia. For generations, a small Azerbaijani population has lived here, working in city markets and on farms outside Yerevan.

But after the incident in Sumgait, harmony between the two peoples collapsed. At the central market in Yerevan there were arguments, fights and abuse. And now there are no Azerbaijanis there at all.

"We don't prohibit them from coming," said Nina Orduchanyan, a vendor. "But they are afraid."

Most of the merchants said the Azerbaijanis could return without incident. But not everyone is so willing.

Henrik Harutsyan, 40, a fruit salesman, said, "Azerbaijanis are just Turks, the same lot, and if I see a Turk, I'll kill him."

"They killed our grandparents," he added, "and now they want to kill us. We could live with them if they would only become human beings. But they act like animals."

At the Azerbaijani Khudova Middle School, the Azerbaijani director, Adil Sulimanov, said that he has lost 75 percent of his students in the past six months. "There is almost no one left," he said.



Residents of Yerevan, the capital of Armenia, inspecting photographs of some of the 26 Armenians who were killed during nationalist demonstrations in late February in the Azerbaijani city of Sumgait.

TWA Captain Believes Hammadi Is Hijacker Who Killed U.S. Sailor

By Robert J. McCartney
Washington Post Service

BONN — The pilot of the TWA jet hijacked in 1985 testified Monday that he believed that Mohammed Ali Hammadi was the hijacker who shot and killed Robert D. Stethem, a U.S. Navy diver, on the second day of the hijacking.

Captain John L. Testrake's testimony marked the first time that Mr. Hammadi, rather than his accomplice in the hijacking, had been identified in the Frankfurt trial as the one who shot Mr. Stethem in the head while the diver was held in the doorway of the airplane at Beirut.

Mr. Testrake acknowledged that he did not witness the murder, and that he was not paying close attention to details at the time because he was under extreme stress. But he said after examining the defendant in the courtroom that his recollection was that Mr. Hammadi pulled the trigger.

Mr. Hammadi, a Lebanese Shiite Moslem, has admitted that he helped to hijack the jet but insisted that his accomplice was wholly to blame for murdering Mr. Stethem. The issue is important in determining how long a sentence Mr. Hammadi would receive if convicted.

The pilot testified as reports from Beirut indicated that the release was imminent of a West German businessman, Rudolf Cordes, who has been held hostage for 19 months by kidnappers seeking to free Mr. Hammadi.

Both West German officials and knowledgeable diplomatic sources said that they were confident that the West German government had made no promises of lenient treatment for Mr. Hammadi in order to help win Mr. Cordes's release.

Mr. Testrake spoke of Mr. Hammadi's role in Mr. Stethem's murder after the pilot had a chance to look closely at the defendant during a pause in trial proceedings.

"I did say before that one of the two appeared to do more of the communicating, and the other more of the violence," Mr. Testrake, of Richmond, Missouri, said. "And in looking at this man, I was struck that he fit the second of the two descriptions." He added, "This is the man who I recall had stood in the forward entryway against Stethem."

The court has identified Mr. Hammadi's accomplice as Hassan Izz Dine, also of Lebanon, who is still at large.

The hijackers apparently murdered Mr. Stethem, of Waldorf, Maryland, in order to reinforce their demands that the plane be refueled. At the time of the murder, Mr. Stethem already was unconscious from repeated beatings.

Mr. Testrake's testimony implied that Mr. Izz Dine was the hijacker who was arguing over the radio with the airport control tower just before Mr. Stethem was shot.

The hijacker screamed into the radio, then turned to his accomplice and shouted what apparently was an order, the pilot said.

"I heard a single pistol shot," he continued. Then, he said, the first hijacker screamed at Mr. Testrake to tell the tower that one passenger had been shot, and another would be shot in five minutes if their demands were not met.

Mr. Testrake's testimony was surprising because the prosecution previously had submitted evidence that Mr. Izz Dine, and not Mr. Hammadi, shot Mr. Stethem.

Gorbachev Heckled on Soviet TV

MOSCOW — In highly unusual scenes broadcast across the Soviet Union on Moscow television Monday, angry Siberians asked Mikhail S. Gorbachev, the Soviet leader, to go into their shops and see that they had nothing to buy.

The heckling, although apparently not aimed at Mr. Gorbachev personally, came within minutes of his arrival at Krasnoyarsk, a Siberian industrial region, starting a week-long visit.

"Go into our shops, Mikhail Sergeevich," a woman shouted at him. "You'll see there's nothing there." Mr. Gorbachev had stopped to talk to people crowded by the side of the road on the way into the city from the airport.

"We have lines everywhere, for meat, for sausage, for everything," a man called out as Mr. Gorbachev, his wife, Raisa, at his side, sought to calm the crowd to tell them measures would be taken to improve living conditions.

"No one's doing anything about housing here." "We have no hot water." "Our public transport is a disaster," other voices were heard to say in the encounter.

Although Mr. Gorbachev has made meetings with ordinary people on the streets of the Soviet Union a trademark in his three and a half years in power, Monday's exchanges were the frankest yet publicized by the state media.

But now, as the republic has grown increasingly angry over the decision by the Kremlin to keep the predominantly Armenian and Christian Nagorno-Karabakh enclave under the administration of Moslem Azerbaijan, some Armenians have even extended their disenchantment to the catholicos.

"I'm afraid he is just serving Moscow's interests now," an activist said.

Recently, as Vazgen was leaving a performance of the opera in Yerevan, the Armenian capital, a group of young independence activists screamed at him: "Moslem!" "Communist!"

The church still maintains that it is the center of Armenian life and that it is not a tool of Moscow.

A priest, Father Manuk, said: "The church is still with the people, and the people should realize that."

Armenians, like Jews, are a people of diaspora. There are large Armenian populations in Lebanon, Turkey and the United States.

Armenians here are proud of their "diaspora brothers," like the novelist William Saroyan or Governor George Deukmejian of California.

But they are also aware that with diaspora comes assimilation.

"This makes us very, very anxious," said Harad Materajan, a celebrated novelist in Yerevan.

Armenians find that when the sons and daughters of emigrants return for a visit, "very few of them seem to know the language," Mr. Materajan said.

"It is one of the most ancient, one of the richest languages in history, and a piece of it is lost every

chapter in a mounting confrontation between pro-Israeli and pro-Arab groups in France that surrounds a two-day visit to Strasbourg by Mr. Arafat that begins Tuesday.

Mr. Arafat will address representatives of the Socialist group of European members of parliament on Tuesday evening and will hold a news conference on Wednesday.

Hundreds of policemen and special security men are being deployed in Strasbourg, where a number of demonstrations by supporters of Israel and counter-demonstrations by pro-Arab groups are planned at noon on Tuesday. Twelve Jewish communities from Europe and 15 pro-Arab groups are expected to demonstrate.

Unconfirmed plans of a meeting between Mr. Arafat and Foreign Minister Roland Dumas, a Socialist, have been strongly opposed by the president of the Jewish group, Theo Klein. Mr. Klein appealed to President Francois Mitterrand in a message Monday to prevent the encounter from taking place.

Officials of the Foreign Ministry refused to confirm or deny that a meeting with Mr. Arafat had been set up, but Arab diplomatic sources affirmed that plans for it had been made.

"It's good they are making such a fuss," said a senior PLO official who asked not to be identified. "The more fuss, the better the publicity." In a telephone interview Monday night, the official said that since this was Mr. Arafat's first visit to France, "the Palestinians could use all the attention we can get."

The invitation to Mr. Arafat by Rudi Arndt of the Socialist group of the European Parliament has become the focus of increasing attention not only because of the strenuous objections by Jewish groups in Western Europe, but also as it comes at a time of tension within the PLO.

The Palestinians are locked in a heated debate about the possibility of extending a diplomatic initiative premised on the recognition of Israel's right to exist in return for a

Arafat's Strasbourg Visit Divides Europe

By Youssef M. Ibrahim
New York Times Service

PARIS — "Mr. Arafat, the French are waiting for you."

The taunting message, which appeared Monday across a full-page advertisement in the French newspaper *Le Monde*, was sponsored by the Representative Council of Jewish Institutions. It demanded that the Palestine Liberation Organization chairman answer for various acts of terrorism that it attributed to his organization.

The advertisement is the latest

parallel recognition of the PLO's role as the sole representative and negotiating agent for the Palestinian people.

In a letter addressed to the Socialist group president, Mr. Klein asked whether the visit would not be put to better use if Mr. Arafat queried Mr. Arafat about the best methods to counteract terror.

Mr. Arndt answered that the Socialist group, which he said has had a long history of fighting for peace, liberty and democracy, had the right to be critical of "those who see acts of terrorism from one side but close their eyes in the face of terrorism committed by others."

The allusion was to the Israeli Army's repression of the Palestinian uprising in the occupied territories of the West Bank and Gaza.

The visit by Mr. Arafat is also significant, some experts say, because of a rising sentiment in Europe, particularly among the young, that the Palestinians must get a better hearing for their grievances.

"At this point, there is a growing acceptance that a rational solution of the Palestinian problem is imperative and that the PLO by and large represents the Palestinian people," said Dominique Moisi, associate director of the French Institute for International Relations in Paris.

An added complication is that the Israeli Labor Party, headed by Shimon Peres, maintains close ties with the European Socialist parties. Mr. Arafat's presence in Strasbourg is likely to be used by the Likud opposition to Mr. Peres in the election campaign in Israel.

China Offers Cambodia Plan

BEIJING — China has proposed an Afghan-style solution to the Cambodian conflict that would give Vietnam nine months to withdraw all its troops under international supervision, diplomats said on Monday.

The proposal was made to a Soviet deputy foreign minister, Igor A. Rogachev, in talks that ended in Beijing this month, the diplomats said after official briefings from both sides.

China had pressed for a timetable for a withdrawal by Vietnam modeled on the United Nations-sponsored accord signed in April that gave the Soviet Union nine months to remove its 115,000 troops from Afghanistan in two stages.

Vietnam invaded Cambodia in 1978 to overthrow the Khmer

Rouge, which is widely blamed for the deaths of about a million Cambodians during their four years in power under Pol Pot. It has an estimated 100,000 to 120,000 troops in the country.

A Soviet official said Mr. Rogachev had asked China to give asylum to Mr. Pol Pot and ensure that he would never return to power.

Diplomats said that Chinese and Soviet officials confirmed that Mr. Pol Pot's future had been discussed.

China has denied Western press reports that Mr. Pol Pot is in Beijing for medical treatment. The Khmer Rouge says he has retired, but Western diplomats say they believe he still plays a leading role in the Khmer Rouge organization.

Diplomats said the Soviet Union agreed that the Vietnamese should

withdraw soon, but it linked a pull-out to China halting its arms supplies to the Khmer Rouge while Vietnamese troops leave. China, the diplomats said, told the Soviet Union that it would continue to supply arms to the Khmer Rouge because Vietnam was still propping up the government in Phnom Penh.

The diplomats said China wanted an international peacekeeping force, sponsored by the United Nations, to oversee a withdrawal.

This was opposed by the Soviet Union, but Moscow backed undefined international supervision. Moscow and Beijing said they were willing to act as guarantors to a settlement, the diplomats said.

Soviet and Chinese officials told diplomats that Mr. Rogachev's four days of talks with the Chinese deputy foreign minister, Tian Zengpei, were useful and positive.

NATO Exercise in Denmark

COPENHAGEN — A total of 18,500 troops of the North Atlantic Treaty Organization began a five-day exercise Monday to practice defending eastern Denmark, an allied military official said.

HUSH!

IT'S THE NEW RENAULT 25

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Believes hijacker S. Sailor

Hamandi, a chance flight instructor... hijacker... sailor...

Botha, Touring Africa, Begins in Mozambique

President P.W. Botha of South Africa made his first conference stop in Mozambique on Monday...

Banda's Malawi: Small, Disciplined, Intolerant

By Mary Battiata, Washington Post Service

LILONGWE, Malawi — On the eve of independence a quarter-century ago...

Banda vowed to make Malawi 'the Denmark of Africa,' and by some measures he has. Most years it does not need to import food...



Hastings Kamuzu Banda

years after printing a remark that Mama Kadzima reportedly made at a United Nations conference...

When economic growth slowed in the 1970s and wars in southern Africa limited Malawi's access to seaports...

Mr. Banda's policies — particularly his defiant embrace of white-ruled South Africa...

Mr. Banda recently has moderated his staunch anti-communism...

But Mr. Banda considers himself a pragmatist. He once said that he would make an alliance with the devil if that would help Malawi.

Abstemious, he preaches against the use of alcohol. He inveighs against sloth and immodesty.

Mr. Banda controls everything from foreign affairs to agriculture. He commands the only political party...

According to Malawian dissidents, thousands of educated Malawians have fled the country seeking greater freedom...

Mr. Banda is filled with monuments. Mr. Banda has erected to himself. Perhaps the most grandiose of these sits two hours north of the capital...

Agricultural and health specialists say senior Malawian officials have recently begun to acknowledge the extent of the child malnutrition problem.

When Mr. Banda goes, an era in Malawi will end. There is no political machinery and no precedent to determine what happens after that.

But now that international donors are poised to give money to help solve the problem, there is a second difficulty. Years of dictatorship have left a power vacuum at the top levels of most government ministries...

Mr. Banda loathes the foreign press. Government information about him is limited to a one-page official biography.

Questioning the life president is risky for any Malawian. Those who displease Mr. Banda have been punished with the Forfeiture Act...

Mr. Banda is, in the terminology of Africa's masses, the Big Man of Malawi. He has done what many African leaders try to do — make his country over in his own image.

When Mr. Banda does die, there is nothing in the system of government to ensure that his policies survive him...

Mr. Banda took power determined to make Malawi into "the Denmark of Africa," and by certain measures, he has. Africa development experts refer to this rural nation as the "Malawi miracle."

In Malawi, as elsewhere in Africa, it all depends on the next Big Man.

Advertisement for The Stanford Court Hotel, located in San Francisco. Includes text about amenities and contact information.

AUTHORS WANTED BY N.Y. PUBLISHER. Leading subsidy book publisher seeks manuscripts of all types...

EC Assembly Set for Visit By Arafat

STRASBOURG, France — Yasser Arafat, chairman of the Palestine Liberation Organization...

The visit comes six weeks after King Hussein of Jordan relinquished his claim to the Israeli-occupied West Bank...

The council is considered the Palestinian legislature-in-exile. Mr. Arafat's visit has been condemned by Jewish groups...

Mr. Arafat was invited by the 172-member Socialist group, the largest in the assembly of 518 members from the 12 European Community nations.

He will not address the parliament but rather its Socialist members, and other interested members, in a conference room.

The invitation gives Mr. Arafat a chance to state his views on the future of the Palestinians in a respected international forum.

More and more plastic is being used in cars these days. But plastic rubbing against plastic gives the same squeaking sound that mice produce.

To solve this problem, silicone oil was added to the plastics. But that had an unfortunate side-effect. It meant that you couldn't achieve deep, bright colours.

The oil came to the surface and caused a dull mat layer. At DSM, one of Europe's largest chemical companies...

South Africa from the dam near Songo has been sabotaged repeatedly by guerrillas...

Formal talks between the two delegations began at the offices of the project's operating company. Mr. Botha later was to travel to Malawi to talk Tuesday with President Hastings Kamuzu Banda...

Mr. Botha and Mr. Chissano were expected to discuss the Nkomati accord, a mutual nonaggression treaty signed between the two countries in 1984.

Since then, Mozambique has never dropped its allegation that South Africa aided the guerrillas who began their insurgency two years after the country gained independence from Portugal in 1975.

The war, combined with drought, has left millions of Mozambicans homeless and short of food. Many Western governments, including the United States, have increased aid to Mozambique...

South Africa insists it no longer aids the rebels, and Mr. Botha was expected to try to persuade Mr. Chissano to mite the allegations.

Mr. Botha was accompanied by his defense minister, Magnus Malan, and his foreign minister, R.F. Botha, who is unrelated to the president.

Mr. Chissano's delegation included three cabinet ministers and two military commanders, according to the Mozambican news agency, AIM.

Even when their relations were badly strained, Mozambique and South Africa maintained extensive ties. Tens of thousands of Mozambicans work as miners and migrant laborers in South Africa...

In the past year, South Africa has expanded its trade mission in Maputo, pursued economic development possibilities in Mozambique, and revived a joint military monitoring commission established by the Nkomati accord.

Second in a series

it's that, and then it's finished. No nonsense. You cannot have everybody deciding what to do.

Since then, while many of his counterparts in other African countries have begged their nations by creating huge bureaucracies...

The diminutive Mr. Banda, now thought to be near 90, rules as paramount chief, a modern African monarch in black homburg, three-piece suit and thick spectacles.

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Advertisement for International Herald Tribune, now printed in New York. Includes contact information and service details.

Large advertisement for J&B Rare Scotch Whisky. Features a large image of the whisky bottle and the text 'Welcome to the circle.' and 'We've cleared the way for quiet driving.'

Herald International Tribune

Published With The New York Times and The Washington Post

A Mixed Gulf Report

The U.S. Navy played a critical role in ending the Iran-Iraq war. By blocking Iran's move to intimidate Iraq's allies in the Gulf, it reinforced the stalemate that led Iran to the negotiating table.

port stayed at constant distance. As on the Stark, very expensive, fancy electronics failed to help. Cheap, effective equipment that would have saved the day was not available or was misinterpreted.

A Bad Textile Bill

Disgracefully, but predictably, the Senate passed the bill to give American textile producers more protection from foreign competitors. The Senate owes an explanation to everyone who doesn't work for the textile companies.

crats Richard Gephardt, the candidate who most explicitly blamed the foreigners for the trade deficit, was the biggest loser. Perhaps that is another question for the senators: Why would the textile bill be a bigger vote-catcher this fall than it was last spring?

Other Comment

Deafening Silence on Iraq
The silence of Britain and the rest of the European Community in the face of overwhelming evidence that Iraq has been using chemical weapons to crush its Kurdish minority grows more deafening each day.

the spurious claim that his dictatorship has the benefit of a popular mandate. For a people whose democratic institutions have been unjustly suspended for the past decade and a half, the October plebiscite is an unprecedented opportunity to say "No."

Chile: A Chance to Say 'No'
The Chilean voters do not have a soft option. If they vote against General Augusto Pinochet, they will be opting for an uncertain future. There can be no guarantee that the military will relinquish power.

It Was Once a Great Idea
The truth of the matter is that in the space of 34 years the Nonaligned Movement has become very aligned. Or at least some of its members, like Cuba and Vietnam, have.

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Dilemma for Chileans: Freedom or More Pinochet?

DALLAS — Chileans will vote next month in a plebiscite to determine their country's political future. They must decide whether General Augusto Pinochet should be maintained in the presidency for another eight years or an open election should be held.

By Richard W. Fisher

consequences of freedom against the comforts of economic prosperity under totalitarianism. Much is written about this event, most of it in absolutes.



to the plebiscite is far more complex. Despite his obsession with communism and his newfound religious fanaticism, General Pinochet cannot be discounted as a comic opera dictator.

of less dramatic but still frightful allegations from the groups that monitor human rights violations. While some appear to be examples of individual rather than systemic excess, there is little doubt that General Pinochet condones the use of force to guarantee "discipline" or "order."

The general is the first Latin American dictator of the left to the right to embrace an open economy. His free market policies are entirely reasonable. And they work.

There are essentially three elements at work during the countdown to the plebiscite: "soldats," represented by the Pinochet government, the Communists and the nondemocratic Socialists; "liquids," personified by the Christian Democrats and the numerous center-right and center-left parties; and "gases," the members of the entrepreneurial class.

A counterbalance to his use of reasonable economic measures, however, is his use of force in social affairs. To be fair, one has to acknowledge improvements during the last several years in housing, as well as declines in infant mortality.

One part of the class—the Communists and nondemocratic Socialist forces—are indeed threatening to the general's vision of the future. And their methods are no less brutal nor less sophisticated than his.

There is convincing evidence of brutal, repressive excess. A glaring instance was the case of Rodrigo de Negri, 19, credible witnesses assert that he was doused with flammable liquid and set afire by an army patrol as he sought to attend an opposition rally in July 1986.

At present, however, they prefer to gamble on the plebiscite as an action-forcing event. Skeptics suggest that the Communists and extreme-left Socialists hope that General Pinochet will prevail and may be deliberately and clandestinely thwarting the opposition's efforts.

As to the liquids, it is clear that the democratic opposition is sloshing about. The 14 opposition parties have agreed to work together to oppose General Pinochet, but they have yet to find a tangible means for doing so.

It is clear, too, that the opposition is having financial problems. And

while public opinion surveys show that the race is close in urban areas, 50 percent of the vote in Chile is rural, and General Pinochet is using his powers to appoint local officeholders to buttress his campaign.

In addition, he is directing significant amounts of money into the increasingly influential local Pentecostal churches. The opposition has been unable to raise enough funds to enable them to counter the favors that General Pinochet is incurring with patronage and pesos.

It is here that the third element enters the analysis: the entrepreneurial class. The opposition desperately needs these people, both symbolically and financially.

But the entrepreneurs seem to have disappeared under General Pinochet. He leaves them alone and they have drawn on the Chilean work ethic to prosper beyond expectations. General Pinochet reminds them all too often of the chaos that resulted from the debacle of Salvador Allende. Small wonder that their enthusiasm for the democratic process has evaporated.

The entrepreneurial class runs the risk of cutting off its future to spite Mr. Allende's ghost. They should ask themselves if short-term prosperity is sufficient to compensate for the loss of true freedom.

One does not come away from Chile with a sense of optimism about the immediate prospects for democracy. The good men and women of the democratic opposition are operating at a tremendous competitive disadvantage. They have no candidate. They have no money. They have only an abiding faith in the ultimate appeal of the virtues of democracy.

The writer is chairman of the Institute of the Americas and a member of the Inter-American Dialogue. He contributed this comment to The New York Times.

East-West 1988: Nowadays Even the Generals Are Talking

By Jim Hoagland

PARIS — Vladimir M. Lobov met his first American recently. Awkward and reserved at first, he soon was speaking comfortably and frankly about his concerns and aspirations.

peace has become too important to be left to the diplomats and politicians. Turning the old French dictum about war on its head, Soviet and American generals and admirals are beginning to talk to each other directly about arms control and its operational implications.

There are good reasons for soldiers to become more deeply involved in arms control at this stage. Nuclear missiles are relatively easy to find and count. Designing balanced and verifiable reductions in the tanks, artillery, manpower and other nonnuclear weaponry that NATO and the Warsaw Pact have arrayed against each other on the European front is a much more complex task.

The process of expanding these contacts is also politically useful for Mikhail Gorbachev, who made Marshal Akromeyev a key player in the INF and START negotiations.

Sometimes the Lesson of Munich Has Been Learned Too Well

By Chalmers M. Roberts

WASHINGTON — Fifty years ago this month I was on the beach at Watkins, waiting to see whether a meeting half a world away in Munich would decide on peace or war.

all the way back to Armistice Day of World War I: a boy standing amid the cacophony of horn and siren signaling the end of that war "to make the world safe for democracy."

magdond. "So was born the Truman Doctrine. ("I believe it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure.")

There may be a clue, however, when he speaks of the "immoral and illegal" Reagan-Bush contra war against the Sandinistas. One cannot let go, the other cannot grasp the nettle.

A great deal of all this, I believe, Bush has absorbed and understands.

Dukakis seems almost totally unaware.

phony promises, proclaiming "peace in our time." Mr. Daladier was equally cheered in Paris. Those democracies, drained by World War I, had fallen into pacifism.

consider Mr. Bush and Mr. Dukakis with Munich in mind. Stalin's Red Army ended up pretty much along what Churchill would call the Iron Curtain dividing Europe geographically, as it does today.

That both Mr. Bush and Mr. Dukakis should know. Mr. Bush, in his acceptance speech, went so far as to say: "Perhaps what is happening will change our world forever and perhaps not. A prudent skepticism is in order, and so is hope."

There may be a clue, however, when he speaks of the "immoral and illegal" Reagan-Bush contra war against the Sandinistas. One cannot let go, the other cannot grasp the nettle.

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100, 75 AND 50 YEARS AGO
1888: German Fleet
BERLIN — The two days' manoeuvres of the German fleet, in the presence of the Emperor, were ended at noon today [Sept. 12] by a fight in the river Jade, which is considered the chief naval port of Germany on the North Sea, is impregnable.
1938: Sudeten Riot
PRAGUE — Chancellor Adolf Hitler's address at Nuremberg, ending the Nazi Congress, left the Czechs somewhat relieved tonight [Sept. 12] and Sudeten Germans along the border a little depressed.
1913: 'No' to Mexico
NEW YORK — The Daily Telegraph has visited certain international banking houses in New York regarding a loan to Mexico and has met with little success.

OPINION

Miffed by Your Candidate? Relax, Nobody's Perfect

By William Safire

WASHINGTON — What do you do when the candidate you support takes a position you don't like? Conversely, what do you do when the candidate you oppose takes a stand you admire? This produces a jangling in our heads that Leon Festinger, a social psychologist, called "cognitive dissonance." To reduce it, we have three choices. Option One is to switch — and some issues, like abortion and gun control, are "switchers" to some voters. Or we can strap and walk away from the need to choose, like the proverbial old lady who says, "I'll never vote, it only encourages them." Or we can take Option Three, adopting the philosophy that undergirds the two-party system: stick with our original choice and put on a button proclaiming "Nobody's Perfect."

"Where was Teddy?" and was ready with the self-righteous answer, "I was home with Barbara," that displayed a quality of petty vindictiveness that might be dangerous in a president. Take the position on Israel's capital. The candidate I presently prefer sticks to the State Department line of not moving the U.S. Embassy from Tel Aviv to Jerusalem because it would offend the Arabs. Michael Dukakis, however, sensibly advocates moving the embassy to the capital city of America's ally, as the America does with every other country it recognizes. My hat is off to the Duke on that promise, even though I suspect he would waver if elected. That is only the beginning of my cognitive dissonance. George Bush, now that he is ahead, is adopting a Flying Rose Garden strategy, ducking interviews. Worse, his campaign has been taking cheap shots at the American Civil Liberties Union, which leads me to believe he would extend the intrusive "lie-detector" mania to enshrine secrecy — the most offensive legacy of the Reagan administration. And what about the vice-presidential choice? While I have never joined the media chorus railing at Dan Quayle, I cannot deny that Lloyd Bentsen is an experienced conservative better prepared to step into the presidency should the need arise. Well, what about the unthinkable — the dread Option One (gulp) — switch-



Of Stone Faces and Snarling Queues

By Enid Nemy

NEW YORK — Sometimes you can't win. That is to be expected, but the no-win situations seem to be coming with increasing frequency. No matter how agreeable you are, no matter how winningly or openly you smile, no matter how pleasant and sincere your "Good morning" is, no matter how you try, you are met with a stone wall. Well, not really a stone wall, a stone face. You are a nonperson, a bit of bothersome flotsam on the landscape. The

Recently, he gave up a dry cleaner he had used for some years, although the shop was near his apartment and the work was superb. "I always said 'Good morning' or 'Hello' and never got a response," he said. "One Saturday, I couldn't tolerate it any longer. I said to the woman at the counter, 'You never seem to respond.' It was as though I was invisible. There was still no response. I changed cleaners. It's a degrading way to be treated." He said he was tired, too, of saying "Thank you" and having the words fall into a vacuum. "There should be some kind of immediate response," he said. "If it's not spoken, it could be a smile." One woman said that the attendant at the lobby desk in her elegant and expensive building rejected any vestige of personal contact. "When I inquire if a parcel has arrived for me, he asks my apartment number," she said. "I give him my name but he refuses to use that for identity — he again asks my apartment number."

"This is a man who has been there at least five years, but who refuses to learn or use names. I've now adopted a policy of not saying 'Hello' or 'Good evening' until he acknowledges me in some way." On the other hand, there are people like Mary Anne Symons Brown who dearly love to be ignored. Ms. Symons Brown, who owns her own communications consulting business, said that is one of the reasons she came to New York. It is a lot different from Allentown, Pennsylvania, she said, where she grew up. "I remember when I was in my teens and I was in a store trying on a coat and a woman came over to me and said 'I think your mother would like that one,'" she recalled. "I had never seen her before. I said, 'Who are you?' and of course, she knew my parents." Which is why, she said, she doesn't mind in the least if she is not remembered or acknowledged, even if she goes into the same place constantly. The problem is, it doesn't happen often enough; but when it does, she sort of enjoys it. The New York Times.

Not Very Much Difference Between Them

THE only areas where there are probably real differences between Michael Dukakis and George Bush are on legal and judicial policies. From the time he was a student and defended the right of a radical to speak on the Swarthmore College campus, Mr. Dukakis has been a civil libertarian, while Mr. Bush has made the American Civil Liberties Union one of his favorite targets. On the other hand, in a quarter-century in Massachusetts politics Mr. Dukakis established a reputation for excessive

caution on civil rights. Mr. Bush voted for civil rights as a Houston congressman in the 1960s and has been trying to improve his party's image among minority groups. We will hear from the cynics, as we always do, that there is no difference between the candidates. This year the cynics are closer to the truth. If Mr. Dukakis is elected, watch his party's progressives rebel against him in four years. — Howard L. Reiter, professor of political science at the University of Connecticut, writing in The Hartford Courant.

ing? There stands Michael Dukakis, who has just come down on both sides of both big defense issues. On modernization of U.S. missiles, he is now for it — but not for the two available missiles. On "Star Wars," he would be willing to deploy the space defense if he and the Congress thought it wise — but not if it contravened the ABM Treaty, which he thinks it does. That is plain silly; the Duke's material breaches are falling down. And there on the front pages was the first great opportunity of the Democratic campaign: the forced exodus of the Kurds by Iraq's sadistic leader, Saddam Hussein, including the use of poison gas on innocents. The world was silent, the Reagan administration incensurably dithering the need for a moral voice urgent. What did the challenger, who demands we become a beacon of human rights, have to say? Sorry, genocide is not his department. It was left to a fellow Democrat, Senator Claiborne Pell, the chairman of the Senate Foreign Relations Committee, to

come up with a bill to threaten the killers with economic sanctions and to send an observer to the scene; Mr. Dukakis remains paralyzed, perhaps worried that ending grain subsidies to Saddam Hussein might cost votes in Iowa. That makes George Bush look better. His campaign looks better still to this old Nixon hand because The Washington Post — above the fold and below the belt — slammed a Bush aide, Fred Malek, for the sin of having received nutty memos in the Nixon White House. The jangling inside the heads of conservatives is reduced by the inability of Mr. Dukakis to exploit our dissatisfaction, and by what strikes us as the baying of media hounds. Each one of us comes to realize that our candidates cannot be our clones. Thus, Option Three — "nobody's perfect" — stabilizes democracy, lessens cognitive dissonance, and makes us rather bear those ills we have than fly to others we know not of. The New York Times.

Sudden Peace in Selected Nests

UNACCUSTOMED peace has settled on selected households across America. The last fledglings have flown or, more likely, been driven off to college, complete with the statutory two wall posters each and electronic means to amplify what it is that they call music. These members of the class of '92 have left, and left behind the empty nesters. The poor molting nesters are of mixed mind. The phone which used to ring every time they sat down to dinner (how do kids know?) now hardly rings at all — but when it does, it's for them. The floating pile of tennis shoes, T-shirts, books and empty envelopes in the front hall is gone. They have to remember to buy a quart of milk at a time, instead of a half-gallon. And the car... ah, the car. They no longer have to ask for it; it turns out that it is theirs. A caring community would have a hot line for these people as they

struggle back to life. For years they said, or were able to say: "I can't. I have kids." Now they're once again responsible for their own lives. It's unsettling. Our advice to these newly returned is to start off slowly — read a book or two, see a movie — and work up only gradually to the higher-oxygen stuff like theater and travel. But the more adventurous may want to do it the other way around. If the returnees can't quite shake the empty feeling, they should take heart. It's already almost mid-September; soon the Olympics will be on television. In October they can make up for all those years of neglect of the front yard. Before they know it it will be November and Thanksgiving, and by then they will probably be used to having the hall clean, and — first sign of recovery — they may feel a different kind of ambivalence. — The Washington Post.

LETTERS TO THE EDITOR

Help Stop Crimes Against the Kurds

William Safire's "A Classic Case of Genocide. Yet the U.S. Merely Clucks" (Opinion, Sept. 6) is appreciated. It makes one feel that the Kurds do have some good and helpful friends in a time like this. The Hitler of Iraq, Saddam Hussein, has tried by all military means to wipe out the Kurds. Now, after murdering thousands of innocent people, he is offering an amnesty for the Kurds to return home. Do they have homes to return to? One wonders, in view of attacks such as those on Halabja, where Iraqi fighter-bombers dropped poisonous gas in March, killing 4,000 and wounding thousands more. Is it international pressure that inspires the amnesty offer, or does Saddam Hussein want to bring back those who fled his barbarism so that they can be punished? The Halabja massacre was not even condemned by the Islamic Conference Organization at its meeting in Amman. At the time, the Arab world was hysterical about others hit by rubber bullets in the West Bank. The world should intervene by all means to stop the genocide of the Kurdish people. MUMTAZ ALMUFY, Vienna.



outcry from the press has been nearly as meek as the protests from the U.S. government. There is little hope either for humanitarianism or for international law if the United States, for reasons of preserving its political influence, refuses to respond properly to such blatant and continuous violations of international law. PAUL BELOPOLSKY, Paris.

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The Global Newspaper. I salute Mr. Safire for his ringing denunciation of Iraqi massacres. Those who want to protest this genocide and help the beleaguered Kurds can do so through contributions to the Institut Kurde, 106 rue Lafayette, 75010 Paris. SUSAN GEORGE, Lady, France. It was gratifying to read Jim Hoagland's opinion column "Facing Butchery, America Tries Meekness" (Sept. 8). Unfortunately, the

Number one across the Atlantic. PAN AM. An advertisement for Pan Am featuring a large, stylized logo for 'PAN AM' and a smaller image of a person sitting in a comfortable airplane seat, looking out a window. The text emphasizes the airline's business class service, including spacious seats, gourmet food, and personalized attention.

NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE prev. close, etc.

NYSE Index table with columns: Composite, High, Low, Close, Chg.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Case, Prev., High, Low, Close, Chg.

NASDAQ Index table with columns: Composite, High, Low, Close, Chg.

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials

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Odd-Lot Trading in N.Y. table with columns: Sect., Buy, Sales, etc.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed in Light Trading

United Press International NEW YORK — Prices closed mixed in light trading on the New York Stock Exchange Monday, with many participants out for the Jewish New Year and others waiting for the release of key economic indicators due later this week. The Dow Jones industrial average, which gained 14.22 points last week, rose 3.56 to close at 2,072.37. Declines topped advances, however, by a 4.3 margin. Big Board volume slowed to 114.88 million shares, compared with 141.54 million traded Friday. Bread-market indexes also slipped. The New York Stock Exchange index fell 0.21 to 150.63, and the price of an average share lost 4 cents. Analysts said that in addition to the two-day celebration of the Jewish New Year, which began at sundown Sunday, many investors were sidelined prior to the release of several closely watched economic statistics later in the week. These include the July U.S. merchandise trade report, due Wednesday, reports on industrial production and retail sales for August, expected Thursday, and data on capacity utilization for August and business inventories in July, to be released Friday. "With all the statistics due later this week, it's going to be another couple days before things get into gear here," said Jack Baker, head of the equity block trading desk at Shearson Lehman Hutton Inc. Estimates of the trade deficit, the most carefully scrutinized statistic, ranged from \$9.5 billion up to \$13.5 billion, but most Wall Street economists were looking for a shortfall of between \$11.25 billion and \$11.5 billion, compared with a June trade deficit of \$12.54 billion. "Obviously, any dramatic move one way or the other will affect the market significantly," Mr. Baker said. "The trend still looks good — like we're going to have at least stable, maybe even lower interest rates, and inflation is under control." "I'm looking for the market to move higher," he continued, forecasting the Dow industrials could rise as high as 2,150 "over the next few days." Hildegard Zagorski, market analyst with Prudential-Bache Securities Inc., said investors would pay close attention to capacity utilization figures for August. If the utilization rate remains high, that could be an inflationary signal. "We're predicting a slight decline over the previous month, and that could be a boost" for the market, she said. Monsanto was the most active issue, plunging 7 1/2 to 78 1/2. A federal court jury last week awarded almost \$9 million in a product liability case involving the Copper-7 intrametric device, manufactured by Monsanto's G.D. Scarie unit. The American Stock Exchange index slipped 0.78 to 296.67. The average price of a share dropped 3 cents. Declines led advances by about a 5-4 margin. Volume totaled just 5.95 million shares, down from 8.68 million traded on Friday.

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

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NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

(Continued on next page)

Monday's NYSE Closing

Tables include the nationwide prices up to the close on Wall Street and do not reflect late trade elsewhere.

NYSE Closing tables including various stock indices and individual stock prices.

Table of international stock markets including London, Frankfurt, and other global exchanges.

Table of international bond markets including US Treasury bonds and foreign government securities.

U.S. Futures

U.S. Futures markets including Coffee, Grains, Livestock, and Currency Options.

Food

Food futures markets including Coffee, Sugar, Cocoa, and Orange Juice.

Metals

Metals futures markets including Copper, Aluminum, and Platinum.

Stock Indexes

Stock Indexes including S&P 500, Dow Jones, and NYSE Composite.

Industries

Industry futures markets including Lumber, Crude Oil, and Natural Gas.

NYSE High-Lows

NYSE High-Lows table showing the daily price range for major NYSE stocks.

AMEX High-Lows

AMEX High-Lows table showing the daily price range for major AMEX stocks.

Hungary to Modernize Its Telephone System

BUDAPEST—Hungary plans to modernize its overloaded telephone system with digital exchanges and may seek Western help with the project, a senior official said Monday.

American Says Court Dismissed Price Suit Against It and United

DALLAS—American Airlines said Monday that a federal court in Los Angeles had dismissed price-fixing charges against it and United Airlines.

Ex-Chairman Quits Post At Morrison Knudsen

BOISE, Idaho—Morrison Knudsen Corp. said Monday that William J. Dessy, president and chief operating officer, had resigned to develop other business opportunities.

London Commodities

London Commodities table listing prices for various commodities in London.

Paris Commodities

Paris Commodities table listing prices for various commodities in Paris.

London Metals

London Metals table listing prices for various metals in London.

DM Futures Options

DM Futures Options table listing prices for Deutsche Mark futures and options.

Dividends

Dividends table listing dividend payments for various companies.

Spot Commodities

Spot Commodities table listing prices for various commodities in the spot market.

World Stocks in Review

IN THE IHT EVERY MONDAY. A CONCISE OVERVIEW OF TRADING ON MAJOR WORLD STOCK MARKETS DURING THE PREVIOUS WEEK AND A LOOK AT LIKELY DEVELOPMENTS AHEAD.

Company Results

Company Results table listing financial performance for various companies.

US Treasuries

US Treasuries table listing prices and yields for various US Treasury securities.

US Sprint Sees Reduction in Loss

KANSAS CITY, Missouri—US Sprint Communication Co.'s operating loss in the third quarter of 1988 should be sharply reduced from the \$165 million loss a year earlier.

General Cinema

General Cinema table listing financial performance for General Cinema.

BUSINESS ROUNDUP

Rales Brothers Raise Bid for Interco

By Kurt Eichenwald
New York Times Service
NEW YORK — An investor group has made a new bid for Interco Inc., the U.S. shoe and furniture maker, under which stockholders would receive \$72 a share if the investors are allowed to review confidential information about Interco's recapitalization proposal.

New Chairman Is Named at Credit Lyonnais

PARIS — Jean-Yves Haberer will replace Jean-Maxime Lévesque as chairman of the state-owned banking group Credit Lyonnais, the government announced Monday in the official gazette.

U.S. Steel Exports Rose 25.2% in First Half

By Jonathan P. Hicks
New York Times Service
NEW YORK — American steel companies, stepping up exports in expectation of continued weakness in the dollar and tighter supplies, will this year have the highest level of shipments to foreign countries since the early 1980s, industry officials said.

Profit to Fall At Dow Jones

NEW YORK — Dow Jones & Co. said Monday that its earnings in the third quarter would be below those of a year ago. In the third quarter of 1987, the publishing and financial-services concern had earnings of \$36.8 million, or 38 cents a share, on revenue of \$298.6 million.

Computer Ills Cut Revenue at American Air

NEW YORK — American Airlines Inc. may have lost second-quarter revenue of as much as \$50 million because of a problem in its reservation system computer software, AMR Corp. has disclosed.

Monsanto Shares Plummet After Ruling

NEW YORK — Shares in Monsanto Co. dropped sharply Monday after G.D. Searle & Co., a unit of Monsanto, was ordered to pay almost \$9 million in damages to a Minnesota woman who used its Copper-7 intrauterine device.

the U.S. Food and Drug Administration, from the market in 1986. Mark Shannon, Monsanto's director of public relations, declined to speculate on whether the Kocimba decision would attract further cases.

BUYOUT: Macmillan Agrees to \$2.36 Billion Offer

(Continued from page 1)
tions that range from the Berlitz foreign-language training program to Katharine Gibbs clerical schools.



Robert Maxwell

higher at \$84.75 in trading Monday on the New York Stock Exchange, after hitting \$85 earlier in the session.

France's IFM Buying U.S. Meat Packer

OKLAHOMA CITY — A French-based foods concern, IFM Group, will buy Wilson Foods Corp. for \$140 million in a friendly takeover to save Wilson from a hostile bidder, the companies said Monday.

UAP: Stake Exchange With Sun

(Continued from first finance page)
Peyrolevade, said at the Paris news conference with Peter Grant, Sun Life's chairman. "We are looking all over Europe."

percent in recent weeks, Mr. Grant said he did not consider this stake-building as hostile, although it had not previously been agreed upon with Sun Life.

IFI Istituto Finanziario Industriale

Notice of shareholders' general meeting
Notice is hereby given that the annual general meeting of shareholders will be held in Turin, at the offices of SAI - Società Assicuratrice Industriale S.p.A., corso Galileo Galilei 12, on Tuesday September 27, 1988 at 10.30 a.m. and in case of a second call on Tuesday October 11, 1988 at the same place and time, for consideration of the following agenda:

We wish to announce that Reinheimer Nordberg Inc. has become NORDBERG CAPITAL INC. The firm provides Specialized Investment Banking and Institutional Brokerage Services.

EBC Amro Traded Currency Fund Limited
NOTICE OF THE FOURTH ANNUAL GENERAL MEETING OF Shareholders to take place on the 7th day of October, 1988 at 11 am.

WILLIAM LAWSON'S Scotch Whisky
Light up your evening with a great Scotch.
Advertisement for William Lawson's Scotch Whisky featuring a bottle and a glass.

Mondays AMEX Closing			
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press			
12 Month High Low	Stock	Div. Yld. PE	Stk. High Low
13 1/2	4% ABL	11	22 1/2
14 1/2	4% ABAG	12	18 1/2
15 1/2	4% Ad. Lobs	12	15 1/2
16 1/2	4% AIA	10	12 1/2
17 1/2	4% AIAA	10	12 1/2
18 1/2	4% AIAA	10	12 1/2
19 1/2	4% AIAA	10	12 1/2
20 1/2	4% AIAA	10	12 1/2
21 1/2	4% AIAA	10	12 1/2
22 1/2	4% AIAA	10	12 1/2
23 1/2	4% AIAA	10	12 1/2
24 1/2	4% AIAA	10	12 1/2
25 1/2	4% AIAA	10	12 1/2
26 1/2	4% AIAA	10	12 1/2
27 1/2	4% AIAA	10	12 1/2
28 1/2	4% AIAA	10	12 1/2
29 1/2	4% AIAA	10	12 1/2
30 1/2	4% AIAA	10	12 1/2
31 1/2	4% AIAA	10	12 1/2
32 1/2	4% AIAA	10	12 1/2
33 1/2	4% AIAA	10	12 1/2
34 1/2	4% AIAA	10	12 1/2
35 1/2	4% AIAA	10	12 1/2
36 1/2	4% AIAA	10	12 1/2
37 1/2	4% AIAA	10	12 1/2
38 1/2	4% AIAA	10	12 1/2
39 1/2	4% AIAA	10	12 1/2
40 1/2	4% AIAA	10	12 1/2
41 1/2	4% AIAA	10	12 1/2
42 1/2	4% AIAA	10	12 1/2
43 1/2	4% AIAA	10	12 1/2
44 1/2	4% AIAA	10	12 1/2
45 1/2	4% AIAA	10	12 1/2
46 1/2	4% AIAA	10	12 1/2
47 1/2	4% AIAA	10	12 1/2
48 1/2	4% AIAA	10	12 1/2
49 1/2	4% AIAA	10	12 1/2
50 1/2	4% AIAA	10	12 1/2
51 1/2	4% AIAA	10	12 1/2
52 1/2	4% AIAA	10	12 1/2
53 1/2	4% AIAA	10	12 1/2
54 1/2	4% AIAA	10	12 1/2
55 1/2	4% AIAA	10	12 1/2
56 1/2	4% AIAA	10	12 1/2
57 1/2	4% AIAA	10	12 1/2
58 1/2	4% AIAA	10	12 1/2
59 1/2	4% AIAA	10	12 1/2
60 1/2	4% AIAA	10	12 1/2
61 1/2	4% AIAA	10	12 1/2
62 1/2	4% AIAA	10	12 1/2
63 1/2	4% AIAA	10	12 1/2
64 1/2	4% AIAA	10	12 1/2
65 1/2	4% AIAA	10	12 1/2
66 1/2	4% AIAA	10	12 1/2
67 1/2	4% AIAA	10	12 1/2
68 1/2	4% AIAA	10	12 1/2
69 1/2	4% AIAA	10	12 1/2
70 1/2	4% AIAA	10	12 1/2
71 1/2	4% AIAA	10	12 1/2
72 1/2	4% AIAA	10	12 1/2
73 1/2	4% AIAA	10	12 1/2
74 1/2	4% AIAA	10	12 1/2
75 1/2	4% AIAA	10	12 1/2
76 1/2	4% AIAA	10	12 1/2
77 1/2	4% AIAA	10	12 1/2
78 1/2	4% AIAA	10	12 1/2
79 1/2	4% AIAA	10	12 1/2
80 1/2	4% AIAA	10	12 1/2
81 1/2	4% AIAA	10	12 1/2
82 1/2	4% AIAA	10	12 1/2
83 1/2	4% AIAA	10	12 1/2
84 1/2	4% AIAA	10	12 1/2
85 1/2	4% AIAA	10	12 1/2
86 1/2	4% AIAA	10	12 1/2
87 1/2	4% AIAA	10	12 1/2
88 1/2	4% AIAA	10	12 1/2
89 1/2	4% AIAA	10	12 1/2
90 1/2	4% AIAA	10	12 1/2
91 1/2	4% AIAA	10	12 1/2
92 1/2	4% AIAA	10	12 1/2
93 1/2	4% AIAA	10	12 1/2
94 1/2	4% AIAA	10	12 1/2
95 1/2	4% AIAA	10	12 1/2
96 1/2	4% AIAA	10	12 1/2
97 1/2	4% AIAA	10	12 1/2
98 1/2	4% AIAA	10	12 1/2
99 1/2	4% AIAA	10	12 1/2
100 1/2	4% AIAA	10	12 1/2

Grand Met Raises Stake In Irish Distillers Group

London — Grand Metropolitan PLC has raised its stake in Irish Distillers Group PLC to 20.1 percent from 14.6 percent, the London brokerage Cazenove & Co., which is advising the British food and beverage concern, said Monday.

Grand Metropolitan, through its wholly owned subsidiary GC&C Brands Ltd., is making a hostile offer of 332 million Irish punt (\$481 million) for Irish Distillers, which dominates the Irish whiskey market with its Jameson, Power's, Paddy and Bushmills brands.

The bid is being challenged by the French beverage group Pernod Ricard SA, which has made a 285 million punt offer for Irish Distillers.

Under British Takeover Panel rules, if Grand Metropolitan raises its stake beyond 29.9 percent it will have to obtain a controlling interest in Irish Distillers and declare its offer of 5.25 punt a share unconditional.

(Continued on next page)



"Great expectations..."

CURRENCY MARKETS

Dollar Eases in Bundesbank Selling

NEW YORK — The dollar eased mostly lower in quiet trading against key foreign currencies Monday after selling by the West German central bank and while traders awaited the scheduled Wednesday release of the U.S. trade balance for July.

London Dollar Rates table with columns for Currency, Rate, and % Change

Traders said a round of small-scale intervention by the Bundesbank also forced the dollar to retreat once it had topped the 1.85 mark level. The dollar fell to 1.8463 Deutsche marks from 1.8510 on Friday.

The dollar also ended mostly lower in European trading after the West German central bank intervention in the morning quashed bullishness, dealers said.

The dollar finished at 1.8455 Deutsche marks, down from Friday's finish of 1.8476 DM, and at 133.50 yen, compared with 133.57. It closed at 1.5345 Swiss francs, down from 1.5605, and at 6.2785 French francs, down from 6.2900.

Fed Governor Heller Says U.S. Inflation Threat Ebbs

FRANKFURT — H. Robert Heller, a member of the Federal Reserve Board, said that the danger of a rise in U.S. inflation was receding and that the central bank's current interest rate and monetary policies were correct.

In a West German radio interview on Sunday, Mr. Heller said the fact that the dollar had not risen in recent days showed that inflation fears were being quelled. "This is proof that inflation in the United States is being held in check," he said.

BASS: A Wager That Traditional Activities Will Pay

(Continued from first finance page) also will apply. The unit will have to report quarterly to the bank board the market value of its assets.

The merchant bank is the only business that will differ greatly from that of a traditional thrift. Under the agreement, the merchant bank will have a \$1.5 billion line of credit from the good bank and will be capitalized by a \$50 million investment from the Bass Group.

The good bank will assume the public profile of American Savings, and it will continue to run its branches.

Its assets will include roughly \$10 billion in good real estate loans — mostly single-family residential mortgages — plus a \$6 billion loan to the bad bank and a \$1.5 billion line of credit to the merchant banking unit.

man of the thrift's holding company, Financial Corp. of America, which is based in Irvine, California. After his resignation, FCA's board voted to file for bankruptcy protection from creditors.

Though the agreement does not give exact numbers, it appears that the bad bank will have about \$5 billion in bad real estate loans, plus American Savings' entire \$13 billion portfolio of mortgage-backed securities, which were financed by Wall Street borrowings in the form of repurchase agreements.

Under the terms of the agreement, a group headed by the chief financial officer of the good bank will oversee the eventual liquidation of the mortgage-backed securities.

With interest rates rising during the Bass Group's four and one-half months of exclusive negotiations with the bank board, the paper losses on those securities have grown to more than \$1 billion from \$500 million.

did not expect profits from the bad assets, the Bass Group is just beginning to pore over American Savings' books to segregate the performing loans from the delinquent ones.

The real estate part of American Savings' holdings was what first interested Mr. Bass in the thrift, sources close to the deal said.

Under the current deal, the unit, which has about 400 employees, will be a separate operating subsidiary and will have the responsibility to liquidate the real estate in the bad bank, as well as handling other real estate business for Mr. Bass.

Only time and close scrutiny by Congress and the financial community will tell whether the terms of the innovative deal will be good for the government as well as the bank board.

GOLD: Slide in Oil Price Diminishes Fears of Inflation and Metal's Price

(Continued from page 1) ters getting together in the near future," the publication said.

Analysts said the publication's report caused the renewed weakness in gold prices, which had fallen sharply on Friday in New York.

While gold dealers seemed transfixed for the moment by the oil price decline, a retreat in Chicago grain futures prices last week and recent rises in interest rates aimed at containing inflation have also hurt prices, dealers said.

In Basel, Switzerland, central bank governors from leading industrial democracies agreed that recent interest-rate increases had helped dampen inflationary expectations in financial markets, according to Karl Otto Pohl, president of the Bundesbank, West Germany's central bank.

Monday's OTC Prices. NASDAQ prices as of 4 P.M. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Monday's OTC Prices table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

12 Month High Low Stock Div. Yld. PE table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

AMEX Closing table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

AMEX Closing table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

AMEX Closing table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

AMEX Closing table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

AMEX Closing table with columns for Stock, Div, Yld, PE, High, Low, 4 P.M. Close

World Bank Agency May Underwrite Stocks

WASHINGTON — A World Bank affiliate is exploring the possibility of underwriting stocks of Third World manufacturing companies in the United States and Britain, World Bank officials said Monday.

In a briefing to discuss the annual results of International Finance Corp., which helps promote free enterprise in developing countries, officials said talks with the U.S. Securities and Exchange Commission were going well and permission for underwriting could be obtained within a year.

The IFC executive vice president, William Rysic, said that to take on an underwriting role, the agency would have to get an exemption from some SEC rules governing disclosure.

The IFC, which assists the formation of private companies through loans and by taking equity positions, has helped form a number of country investment funds to develop private enterprise.

For the year ended June 30, the IFC said it had approved 95 new investments totaling about \$1.3 billion, an increase of 38 percent from the previous year.

Another diversification includes a new, \$60 million Africa Enterprise Fund aimed at financing small, local ventures in the range of \$100,000 to \$750,000 each.

Crossword puzzle grid with numbered squares for clues.

- ACROSS 47 Feds, 49 Stone foundation, 51 Grows in Brooklyn, etc.

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes word lists like PORDO, THECK, UCCSAU, CEETIN.

WEATHER section with tables for EUROPE, ASIA, NORTH AMERICA, and MIDDLE EAST showing high/low temperatures.

West Germany: the land of quality craftsmanship. West Germany: the land where 300,000 Goldstar TVs and 400,000 Goldstar VCRs are produced every year.

PEANUTS



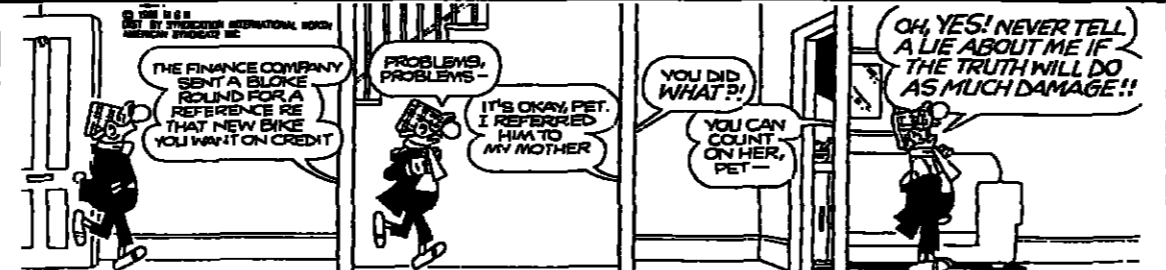
BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

THE PIZZA CONNECTION: Lawyers, Drugs and the Mafia. By Shana Alexander. 352 pages. \$19.95.

Chess section with a 6x6 board and text discussing a tournament and game moves.

CHESS

By Robert Byrne. The Swiss Chess Federation tournament in Biel, Switzerland, ended on July 29 in a tie.

World Stock Markets section with tables for Amsterdam, London, Paris, Frankfurt, Zurich, and other financial markets.

PERSONAL INVESTING

IN THE HEAT OF THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE INVESTOR.

Vertical text on the far right edge of the page, possibly a page number or edge text.

SPORTS

Even if One Can't Watch All the Olympic Games, Some Events Are Not to Be Missed

By Frank Litsky

After the athletes march into the stadium Saturday for the opening ceremonies and the flame is lighted, the six days of the real Olympics will begin. It will be competition on the highest plane, with some star athletes...

Until June, she and Heike Drechsler of East Germany shared the record of 24.12 seconds for the 100-meter dash. Then Ganna Chisnyakova of the Soviet Union raised it to 24.84...

On the ground, in tears and in pain, after a collision with Zola Budd of Britain. Johnny Gray, a sometimes-inconsistent Californian, is now faster 800s this year...

State University runner smashed Lee Eynon's 20-year-old world record of 43.86 seconds by running 43.29. The only major foe missing in that race was Thomas Schönlebe of East Germany...

Now a healthier and more judicious Reynolds is at his best. Schönlebe, like the other East Germans, has not competed often and has not run as fast this year as Reynolds or the other Americans...

In swimming, Tamás Daryni of Hungary holds the world records in the men's 200-meter and 400-meter individual medley. David Wharton holds both U.S. records and his 400-meter time last year was the world record until it was broken...

IOC Rules for Berndt, Rejecting East Germany

By Christine Brennan

SEOUL — The International Olympic Committee rejected Monday a demand by East Germany that swimmer Jens-Peter Berndt be barred from the Games...

The IOC vice president, Richard Pound, said a three-member panel had spoken with the delegations of both East and West Germany and had concluded that, under the Olympic charter, Berndt was eligible to compete for West Germany...



Michele Mitchell of the U.S. team practiced diving Monday in Seoul as athletes stepped up training with the Olympics five days away.

Wilander Wins Open, Top Ranking

By Peter Alfano

NEW YORK — They played for almost five hours, a tennis tie-off with the U.S. Open championship and the world's No. 1 ranking riding on the outcome...



After Ivan Lendl's final backhand, Mats Wilander was elated.

Even though he won the set, Wilander was not content playing it safe. He held to open the second set, then broke Lendl, hitting two volley winners. Wilander had said he planned a surprise for Lendl, and perhaps this was it...

IOC Rules for Berndt, Rejecting East Germany

By Christine Brennan

The IOC annual meeting begins Tuesday, when it will hear reports from various committees. Its main business will be Thursday's vote on the site for the 1994 Winter Olympics...

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3 Athletes Injured
Jörg Schaefer, one of West Germany's three Olympic hammer throwers, has pulled out of the Games because of a knee injury...

In Chiba, Japan, Tessa Sanderson of Britain, the 1984 Olympic women's javelin gold medalist, suffered a laceration to her left leg Monday while practicing at the Nagasaki Archery Center...

Green Wins Again

FRANKLIN, Wisconsin — Ken Green won his second tournament in a row Sunday, a six-shot victory in the Greater Milwaukee Open...

Yanks Beat Tigers Again, Go Into 2d, On Washington's Home Run in 18th

NEW YORK — Claudell Washington hit a two-run home run with one out in the bottom of the 18th inning Sunday to give the New York Yankees a 5-4 victory over the Detroit Tigers...

SCOREBOARD

BASEBALL

Table with Major League Standings and Sunday's Line Scores. Columns include team names, wins, losses, and percentages.

FOOTBALL

Table with NFL Standings. Columns include team names, wins, losses, and percentages.

BASEBALL ROUNDUP

With two out in the sixth, Tom Brookens hit the ball down the left field line and was safe at third when Ricky Henderson could not cleanly handle the ball in the outfield corner...

Jets Finally Score, Defeat Beat-Up Browns, 23-3

CLEVELAND — Roger Vick scored the New York Jets' first two touchdowns of the 1988 National Football League season on short, fourth-quarter runs Sunday in helping beat the Cleveland Browns, 23-3...

NFL ROUNDUP

Both injured earlier in the game. The Jets also got three field goals from Pat Leahy in ending a five-game regular-season losing streak that dated to last November...

GOLF

Plaid jackets and extra money in the Greater Milwaukee Open, which ended Sunday at the par-72, 7,628-yard Tackway Country Club course in Franklin, Wisconsin...

SOCCER

Table with Spanish First Division and National League soccer results. Columns include team names and scores.

TRANSITION

Table with Baseball, Football, and Hockey transition news. Columns include team names and brief descriptions of events.

PROTEST

Unhappy protesters gathered in a protest in the downtown area of the city after the parliament was closed for the day.

ATE

Examples of the new menu items that will be available at the restaurant.

RUSSELL BAKER

IN THE HIT EVERY WEEKEND AND FRIDAY. URBANE WIT AT ITS SATIRICAL BEST.

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